

# Leverage Transportation to Advance Economic Development

*Tangible Result Driver – Roberta Broeker,  
Chief Financial and Administrative Officer*

Transportation is essential to Missouri's economic well-being. It plays a critical role in creating jobs and stimulating lasting growth for Missouri. In addition, focusing on ways to advance economic development helps MoDOT achieve its mission of promoting a prosperous Missouri.



## Leverage Transportation to Advance Economic Development

### *Miles of new 4-lane corridors completed*

**Result Driver:** Roberta Broeker, Chief Financial & Administrative Officer

**Measurement Driver:** Jay Bledsoe, Transportation System Analysis Engineer

**Purpose of the Measure:**

This measure tracks the miles of additional divided highways available to the public. Access to a divided highway system supports economic development in Missouri. One of MoDOT's recent priorities has been completion of four-lane corridors in order to connect segments of highway where gaps exist.

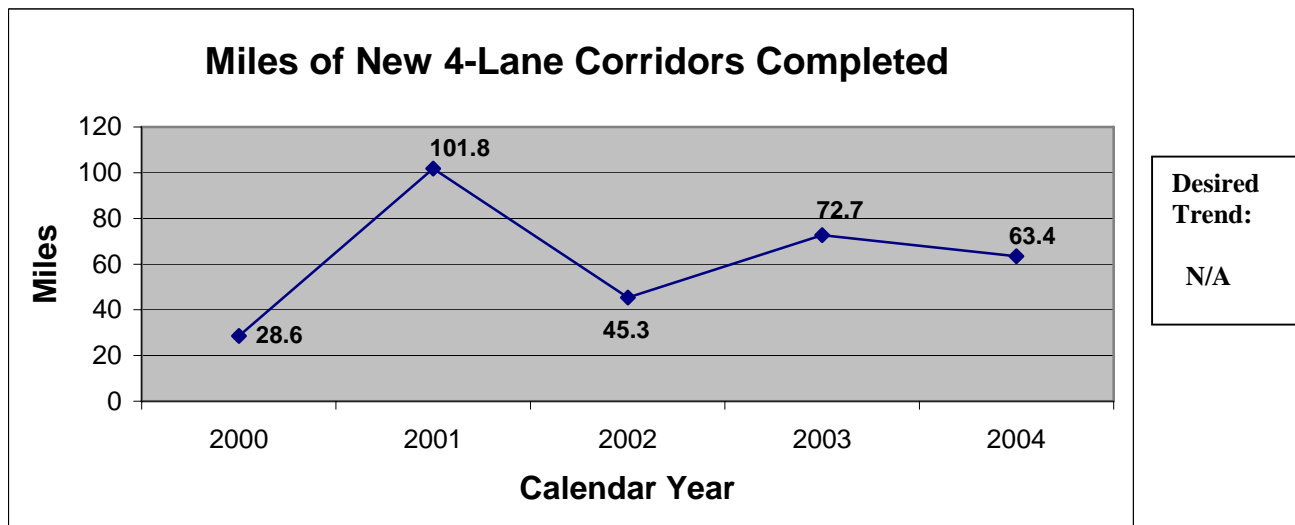
**Measurement and Data Collection:**

Projects that create or complete sections of dual-divided highways will be identified and tracked. Completion will be defined as the date the project is opened to traffic.

**Improvement Status:**

The increase of 101.8 miles in 2001 is primarily due to bond-financed projects approved in 2000 by the Missouri Legislature. Without these additional funds, progress for 2005 and 2006 is expected to be much lower, probably less than 20 miles. However, the number of miles of new four-lane corridors constructed will increase in 2007 and beyond from Amendment 3 bond funds approved by Missouri voters in November 2004.

As part of a partnership with the Department of Economic Development, MoDOT is initiating a study to track the creation and location of businesses along newly established four-lane corridors. This information, along with data on business size and employment, will help determine the true economic value of this type of transportation improvement.



## Leverage Transportation to Advance Economic Development

### *Percent utilization of SIB & STAR loan programs*

**Result Driver:** Roberta Broeker, Chief Financial & Administrative Officer

**Measurement Driver:** Raye Ann Lecure, Economic/Operations Analysis Manager

**Purpose of Measure:**

This measure shows the percent utilization of MoDOT's revolving loan programs, the Missouri's State Infrastructure Bank (SIB) and the State Transportation Assistance Revolving (STAR) program. It demonstrates how well utilized these funds are by showing a ratio of how much of the funds are currently on loan versus the amount available to be loaned.

The Missouri Transportation Finance Corporation (MTFC), a not for profit corporation, is Missouri's SIB. The SIB program was created by federal law in 1995. The SIB's purpose is twofold: (1) to provide a means to encourage additional investment in transportation projects and (2) to accelerate transportation improvements. The SIB finances both highway and non-highway projects.

The STAR program finances non-highway projects such as air, water, rail, or mass transit facility construction, mass transit vehicles, and vehicles for elderly or handicapped persons.

**Measurement and Data Collection:**

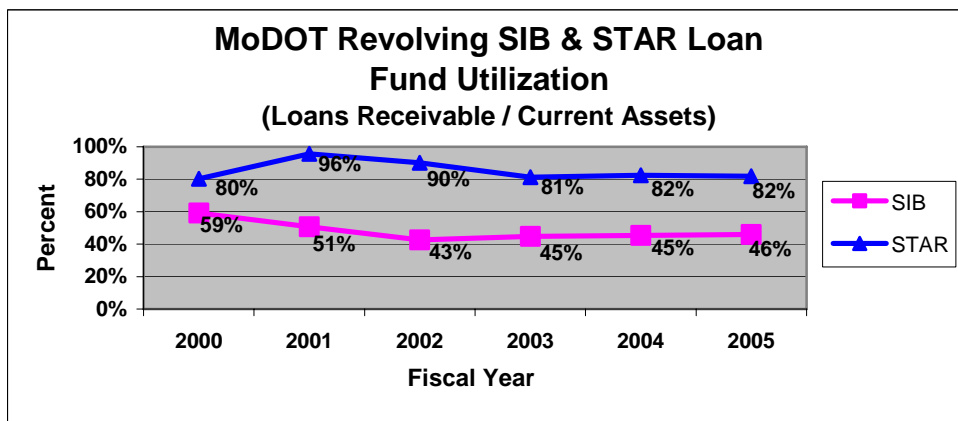
The data used to calculate the amounts of funds currently on loan is collected through a database used to track the SIB and STAR loans. Amounts available to be loaned are obtained from financial reports. The utilization rates calculated from the data for each of the programs are not comparable due to the vast difference in the size of the programs nor are they predictors of future performance.

**Improvement Status:**

MoDOT strives to improve these measurements by increasing the volume of loans issued through the marketing process. In FY 2005 MTFC representatives attended the Transportation Finance Conference, the Missouri Association of Counties Conference, and made presentations in all ten MoDOT districts to increase awareness of the loan programs.

The SIB is in the process of finalizing a loan to the Highway 36/I-72 Corridor Transportation Development District and has 3 other requests pending. The STAR has 3 approved loans pending notice to proceed. At September 30, 2005, the SIB and STAR loan fund balances were \$32.3 million and \$688,000, respectively.

We are currently trying to identify the criteria that should be used to compare our data to that of other similar programs.



**Desired  
Trend:**



## Leverage Transportation to Advance Economic Development

### *Rate of economic return from transportation investment*

**Result Driver:** Roberta Broeker, Chief Financial & Administrative Officer

**Measurement Driver:** Ernie Perry, Organizational Performance Administrator

**Purpose of the Measure:**

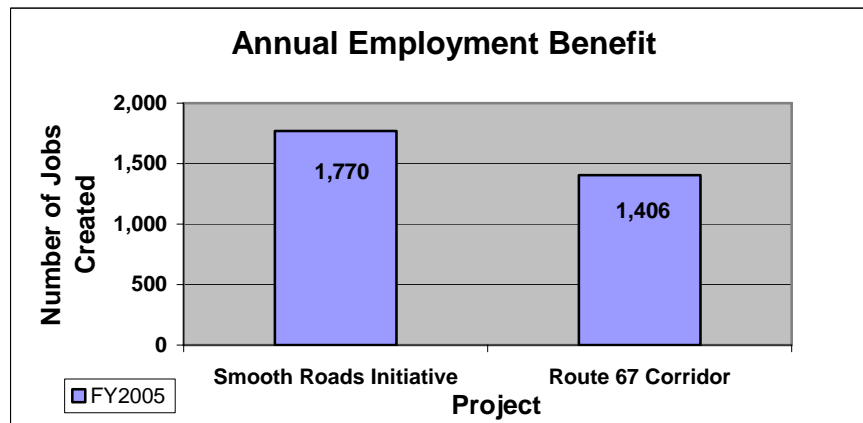
This measure monitors the economic return from the State's roadway transportation investment through the number of jobs created, changes in personal income, and value-added GSP (Gross State Product).

**Measurement and Data Collection:**

MoDOT partners with the Department of Economic Development to complete economic modeling of the state's transportation investments. The REMI Inc economic model is used for this analysis. Through these efforts, the department is able to provide regional level estimates to demonstrate employment, income and state benefits related to specific projects, corridors and program expenditures.

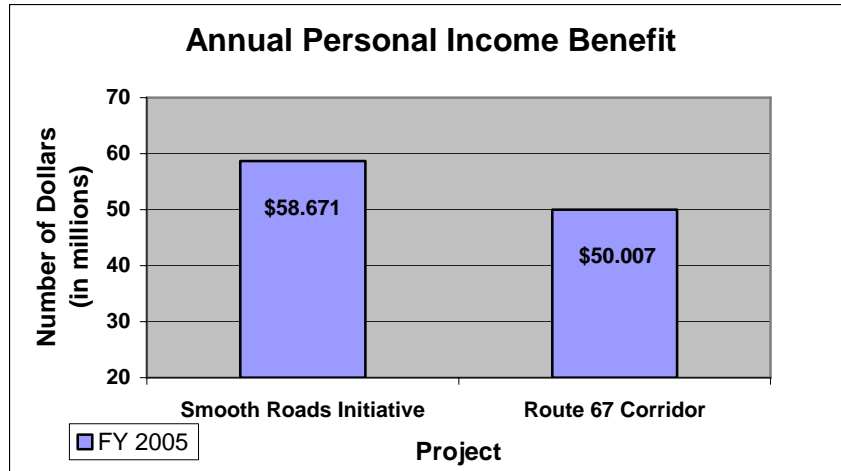
**Improvement Status:**

MoDOT has entered into a Memorandum of Understanding with the Department of Economic Development to model and provide benefit estimates for 20 transportation projects or program expenditures per year using the REMI Inc economic model. This information will be used in the planning framework for project prioritization and communication, for identification of economic impacts related to the environmental clearance process, and for general communications regarding the benefits of the transportation system to Missouri citizens and businesses. The information generated through the use of the REMI model demonstrates that there is a strong link between transportation investment and economic development. In the average year, the Smooth Roads Initiative and the Rt 67 project, respectively create 1,770 and 1,406 jobs each. There is an expected increase in annual average personal income of over \$58 million for the SRI 2005 jobs, and an expected benefit of over \$50 million for the Rt 67 corridor development. In terms of Gross State Product – value added, The 2005 SRI jobs contribute over \$97million per year and the Rt 67 corridor contributes over \$75 million annually to the State's gross product. We will continue to work with the Department of Economic Development to understand this relationship in order to maximize the benefits to the state and it's citizens from transportation investments.

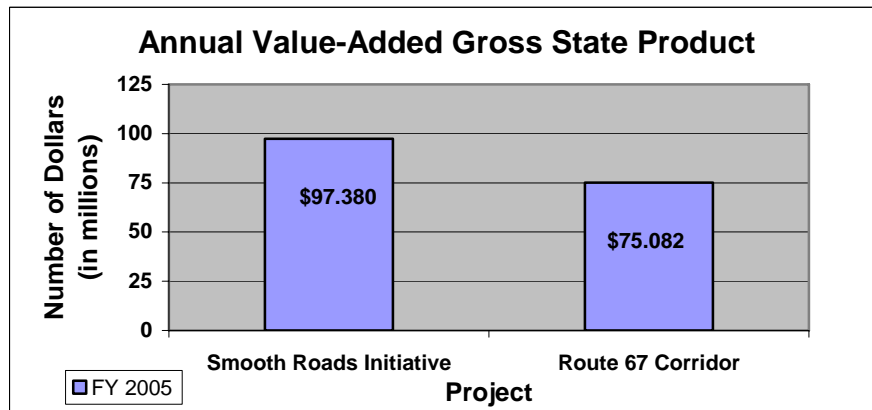


**Desired Trend:**





**Desired  
Trend:**



**Desired  
Trend:**